

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of Commission, on) Application No. C-3012
its own motion, seeking to)
conduct a critical cost analysis)
for Aliant Communications Co.,)
d/b/a ALLTEL as a result of the) ORDER SEEKING COMMENTS
Nebraska Technology & Telecom-)
munications, Inc. and ALLTEL)
arbitration conducted in)
Application No. C-2648.) Entered: February 24, 2004

BY THE COMMISSION:

O P I N I O N A N D F I N D I N G S

On September 23, 2003, the Nebraska Public Service Commission (Commission) opened the above-captioned proceeding to commence a critical cost analysis for ALLTEL.

In its Order opening the proceeding, the Commission indicated that it intended to address the following issues:

1. Determine the appropriate rates associated with the provisioning of telephone directories.
2. Determine the appropriate rates at which ALLTEL must provide unbundled network elements (UNEs), including unbundled network elements-platform (UNE-P).
3. Determine appropriate nonrecurring rates for ALLTEL.

In an effort to make the determinations outlined above, the Commission directed its staff to coordinate with both ALLTEL and NT&T to review the methodologies and inputs utilized within the arbitration proceeding.

The Commission staff has now completed a preliminary review and Dr. David Rosenbaum has submitted a summary entitled "A Preliminary Analysis of ALLTEL'S Proposed UNE Loop Rates in Nebraska". In an oral summary of that review provided on February 18, 2004, Dr. Rosenbaum indicated that the Commission's analysis of interconnection rates between ALLTEL and NT&T has reached a critical juncture. In Dr. Rosenbaum's view, the Commission can either further scrutinize the ALLTEL cost model or potentially apply its previously adopted averaging methodology from Docket No. C-2516 to develop UNE loop rates for ALLTEL in Nebraska. In light of Dr. Rosenbaum's analysis, the Commission deems it appropriate to determine the process by

which the Commission's review of the Alltel proposed costs should proceed.

To assist in this determination, the Commission directs the parties hereto, as well as Dr. Rosenbaum, to comment on the following questions:

1. Should the Commission further scrutinize the ALLTEL cost model or apply its previously adopted averaging methodology (from C-2516) to develop UNE loop rates for ALLTEL in Nebraska?

2. If the Commission would elect to apply a different methodology, can it legally do so and would the results ultimately be enforceable?

3. In either case, what procedural steps should be taken next?

Comments on the questions set forth above should be filed in both written and electronic format with the Commission on or before March 24, 2004.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the parties hereto, and Dr. Rosenbaum, comment on the questions set forth herein on or before March 24, 2004. |

MADE AND ENTERED at Lincoln, Nebraska, this 24th day of February, 2004.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Deputy Director